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**STATE OF ILLINOIS**

**ILLINOIS COMMERCE  
COMMISSION**

**ENERGY SAVINGS (ILLINOIS) CORP.**

**Application for Certificate of  
Service Authority under Section  
19-110 of the Public Utilities Act.**

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ENERGY SAVINGS (ILLINOIS) CORP. :

Application for Certificate of :  
Service Authority under Section :  
19-110 of the Public Utilities Act. :

CHIEF CLERK'S OFFICE  
Docket No. 03-0720

APPLICATION

Energy Savings (Illinois) Corp. ("Applicant"), hereby requests that the Illinois Commerce Commission ("Commission") grant it a Certificate of Service Authority as an Alternate Gas Supplier pursuant to Section 19-110 of the Public Utilities Act ("Act"). In support of its application, Applicant states as follows:

General

1. Applicant's name is Energy Savings (Illinois) Corp. Pending receipt of a Certificate of Service Authority (by which time Applicant will have an office in the State of Illinois) Applicant's current business address is located at 130 King Street West, Suite 2830, P.O. Box 355, Toronto, Ontario, M5X 1E1.
2. The Applicant was incorporated as a limited liability company under the Delaware Business Corporations Act, on August 29, 2003. The Applicant is a 100% wholly owned subsidiary of U.S. Energy Savings Corp. which is indirectly owned as to 100% by Energy Savings Income Fund (the "Fund") whose units are posted and listed for trading on the Toronto Stock Exchange under the symbol SIF.UN. Schedule 2A attached describes the corporate structure of the Fund and its 100% wholly owned subsidiaries. The Applicant will enter into all contractual agreements in the State of Illinois under its corporate name Energy Savings

(Illinois) Corp. but may carry on business under another but similar or related trade name, ie., "Energy Savings" in which event it will apply to the Secretary of State for Illinois for authority to use such trade name. The Applicant's Federal Employer Identification Number is 98-0405555. A list of the directors and officers of Applicant is set forth in Schedule 2B attached. The Applicant's registered agent in Illinois is CT Corporation located at 208 S. La Salle Street, Chicago, Illinois 60604. A copy of a Certificate of Authority to carry on business in Illinois from the Illinois Secretary of State issued on September 19, 2003, is attached as Schedule 2C.

3. This is the Applicant's first application to become an Alternative Gas Supplier ("AGS") in the State of Illinois.
4. A list of the contact persons for issues related to: (a) processing this application; (b) retail customers including complaint resolution; and (c) technical issues, including schedule of natural gas deliveries is attached as Schedule 4 hereto.
5. Applicant certifies that it will:
  - a) comply with all applicable Federal, State, regional and industry rules, practices, policies, procedures and tariffs for the use, operation, maintenance, safety, integrity, and reliability of the interstate natural gas system all as described at 83 Ill. Adm. Code 551.20(a);
  - b) provide service to residential customers that are eligible to take service from an AGS all as described at 83 Ill. Adm. Code 551.20(b);

- c) comply with informational and reporting requirements that the Commission may by rule establish all as described at 83 Ill. Adm. Code 551.20(c); and
  - d) comply with all other applicable laws and regulations and Commission rules and orders all as described at 83 Ill. Adm. Code 551.20(d).
6. Applicant agrees to submit good faith schedules of natural gas deliveries in accordance with applicable tariffs all as described at 83 Ill. Adm. Code 551.20(a).
7. Ontario Energy Savings Corp. ("OESC"), an affiliate of Applicant, carries on business in Canada. It holds the necessary natural gas and electricity licences from the appropriate regulatory authorities in the provinces of Ontario (the Ontario Energy Board ("OEB")) and Manitoba – gas only (the Manitoba Public Utilities Board (the "PUB")) and is in good standing with all such regulatory authorities.
- OESC's principal business, which is presently conducted solely in the provinces of Ontario and Manitoba, Canada, involves the sale of: (i) natural gas to residential, small to mid-size commercial and small industrial customers under long term fixed price contracts in the Provinces of Ontario and Manitoba; and (ii) electricity to mid-size commercial and small industrial customers under long term retail electricity contracts in the Province of Ontario.
- OESC has been carrying on its natural gas business since 1997 in Ontario and since 2003 in Manitoba and its electric business since 2002 in Ontario. It presently services in excess of 800,000 natural gas and electricity residential customer equivalents involving approximately 57,800,000 DTh and 2,610,000,000 KWh of gas and electricity respectively on an annualized basis.

8. The Applicant, subject to receipt of a Certificate of Service Authority, plans to service residential, small to midsize commercial and small industrial customers within the service areas of Northern Illinois Gas Company, doing business as Nicor Gas Company ("Nicor Gas"), The Peoples Gas Light and Coke Company ("Peoples") and the North Shore Gas Company ("North Shore").
9. Applicant has sent notice to each of Nicor Gas, Peoples and North Shore that it intends to serve customers in their territories. A copy of the notice letters are attached at Schedule 9 as required by 83 Ill. Adm. Code 551.30. Applicant will publish notice of this application in the official state newspaper within 10 days following the filing of this application and subsequently shall file proof of publication with the Clerk of the Commission, as required by 83 Ill. Adm. Code 551.80(a).
10. Applicant certifies compliance with all applicable terms and conditions required by Section 19-115 of the Act.
11. As required by 83 Ill. Adm. Code 551.40, Applicant has adopted and follows rules and procedures ensuring that authorizations received from customers, customer billing records, and requests for service transmitted to utilities are retained for a period of not less than two calendar years after the calendar year in which they were created or after the expiration of the customer contract, whichever is later.

12. As required by 83 Ill. Adm. Code 551.40, Applicant has adopted and follows rules and procedures to preserve the confidentiality of its customers' data.
13. As required by 83 Ill. Adm. Code 551.70, Applicant does not seek to serve customers within a geographic area that is smaller than a gas utility's service area.
14. As required by 83 Ill. Adm. Code 551.70, Applicant certifies that all marketing materials that make statements concerning prices, terms and conditions of service contain information that adequately disclose the prices, terms and conditions of the products and services being offered and sold to the customer.
15. As required by 83 Ill. Adm. Code 551.70, Applicant certifies that, prior to switching any customer from another supplier, the Applicant will provide the customer written information that adequately discloses in plain language the prices, terms and conditions of the products and services being offered and sold to the customer.
16. As required by 83 Ill. Adm. Code 551.70, Applicant certifies that it will provide the customer with itemized billing statements that describe the products and services provided to the customer and their prices and an additional statement, at least annually, that adequately discloses the average monthly prices, and the terms and conditions, of the products and services sold to the customer.

**Financial Qualifications.**

17. A copy of Applicant's required bond issued by Travelers Casualty and Surety Company of America in the amount of \$150,000 is attached at Schedule 17, accompanied by a copy of the underwriter's rating agency report for long term obligations. The Applicant submitted a license bond to comply with the requirements of 83 Ill. Adm. Code 551.50. Such bond was paid by Applicant on November 10, 2003 as evidenced by the attached statement.
18. Pursuant to 83 Ill. Adm. Code 551.80(f), Applicant certifies that it will offer to reimburse its Illinois residential and commercial customers for the additional costs those customers incur to acquire natural gas in the event Applicant should fail to comply with a contractual obligation to supply such energy. The prospective obligation shall be covered by availability under a revolving credit agreement from Canadian Imperial Bank of Commerce ("CIBC"), a qualified financial institution, in the amount prescribed in the code. Copies of the:
- a) revolving credit agreement;
  - b) the ratings agency report for CIBC; and
  - c) Applicant parent's certified financial statements along with the auditor's report are included in Schedule 18.

The Applicant is a new company, which has yet to conduct business. Therefore, Applicant has no revenue and no financial statements on which to base a 5% line of credit. Consequently, Applicant intends to comply with Section 551.80(f) of the



Commission's rules by establishing a line of credit in the amount of \$500,000. Applicant does not currently have customers, and does not presently plan to buy customers from existing entities, Applicant is willing to increase any line of credit under Section 551.80(f)(2) if future acquisition of customers by Applicant necessitates a credit line increase.

### **Technical Qualifications**

19. Applicant will not use natural gas transmission or distribution facilities that it owns, controls or operates in serving customers. Required materials supporting Applicant's technical qualifications are provided in Schedule 19.
  
20. In accordance with 83 Ill. Adm. Code 551.90, Applicant through its affiliate, OESC, employs staff each of whom has more than four years demonstrated natural gas sales and operations experience. Such individuals have at least two years experience working with the GISB/NAESB rules and practices as well as those established by the Ontario Energy Board (the "OEB") and the Manitoba Public Utilities Board which regulate the marketing and sale of natural gas in the Provinces of Ontario and Manitoba. These individuals' biographies and occupational background information are furnished in Schedule 20A. The Applicant and its affiliate, OESC, have entered into a Services Agreement pursuant to which OESC will provide a range of services to the Applicant. These services will include, without limitation, sales and marketing, operations, customer service, finance and accounting, legal and regulatory services. A copy of the Services Agreement is attached hereto in Schedule 20B.

### **Managerial Qualifications**

21. In accordance with 83 Ill. Adm. Code 551.100, Applicant notes that OESC employs several individuals on its staff with four or more years demonstrated experience in management positions with enterprise financial and administration responsibilities including profit and loss responsibilities and natural gas sales. Required materials supporting Applicant's managerial qualifications are provided in Schedule 21A. An organization chart illustrating Applicant's staffing is provided in Schedule 21B.

WHEREFORE, Applicant requests that the Commission grant its application for a Certificate of Service Authority as an Alternate Gas Supplier to serve residential, small to mid size commercial and small industrial natural gas customers in northern Illinois.

Respectfully submitted,  
Energy Savings (Illinois) Corp.



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VERIFICATION

Province of Ontario  
District of York

ss:

I, Debbie Wernet, being first duly sworn, deposes and says that I am the President of Energy Savings (Illinois) Corp., that I have read the foregoing documents, that I am knowledgeable of the facts stated therein, and that the same are true and correct to the best of my knowledge and belief.



Debbie Wernet

Subscribed and sworn to before me  
this 13th day of November, 2003.



Robert A. Donaldson Q.C.  
Notary Public in and for the Province of Ontario